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SUBJECT: ARGENTINA: RAUL ESTRADA OYUELA, OLD LION OF CLIMATE CHANGE
NEGOTIATIONS, TALKS ABOUT COPENHAGEN

REF: BUENOS AIRES 1244

¶1. (SBU) Summary: ESTOff met on November 9 with Raul Estrada Oyuela, a retired Argentine diplomat who specialized in climate negotiations and was Chairman of the Kyoto Protocol negotiations in ¶1997. Estrada Oyuela feels that the GoA now has no clear position on climate change and does not have a high-level interest in the subject. Still, he believes that the GoA will be much more likely to support an agreement if financing is available to help in a transition to a low-carbon economy. He also thinks that the GoA would be amenable to a political agreement at Copenhagen, but is not likely to take a leadership role in pushing for such an agreement. Estrada Oyuela is convinced that no deal will come out of Copenhagen without a bill passed in the U.S. Senate, and fears that the USG will be scapegoated if no agreement is reached. His advice for us is to request a six-month extension to the negotiations to allow time for domestic legislation to provide a firm negotiating position. End Summary.

OVERVIEW OF NEGOTIATIONS

¶2. (SBU) ESTHOff met with Raul Estrada Oyuela on November 9 to discuss climate change negotiations. Estrada Oyuela was chairman of the Kyoto Protocol negotiations and considered a crucial catalyst in achieving consensus in 1997. He is now retired from the Argentine Foreign Service and works as a consultant.

¶3. (SBU) Estrada Oyuela believes a substantial agreement in Copenhagen is impossible, but he is hopeful about a future agreement in 2010 or beyond. When asked if a political agreement without specific pledges on emissions reduction or actions would be sufficient at Copenhagen, he threw up his hands and said, "What else can we do?" He said that due to the Kyoto Protocol experience, no one will believe the USG without a climate change bill having first passed in the Senate.

¶4. (SBU) Estrada Oyuela said he knew that no real agreement would be reached when a promising initial draft treaty grew to 200 pages during June 2009 negotiations. He noted that such level of detail guarantees that no consensus can be reached on the full agreement. He is critical of those, including former Danish negotiator Thomas Becker, who created unrealistic expectations for a conference just

10 months after President Obama took office.

15. (SBU) Estrada Oyuela's advice to the USG is to make a formal proposal for talks to be reconvened in six months. That, he believes, will allow time for a Senate bill to be passed and for U.S. negotiators to come to the table with solid numbers. It is not too late, he thinks, to push for a delay in the talks and portray that as a success, not a failure. He emphasized that timing is everything and, as is his habit, he illustrated this point with a story. Negotiations were progressing rapidly on the Kyoto Protocol in 1996, but he worked with U.S. negotiators behind the scenes to slow down the process until Clinton was re-elected, knowing that negotiations during an election season would be unsuccessful. The timing of the final negotiations in Kyoto in December 1997 was crucial to their success, according to Estrada Oyuela. The likelihood of consensus may be much higher six months from now.

16. (SBU) Estrada Oyuela believes there is a great risk that Copenhagen will deteriorate to a game of blaming the United States. Thus, the USG needs to work actively to prevent this, in part by pushing for talks to be reconvened in six months. Estrada Oyuela also said that the U.S. negotiators should emphasize to the Senate that without a clear commitment from the United States, the process will be delayed, and that the risks of further delay are huge.

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17. (SBU) Despite his concerns, Estrada Oyuela is hopeful that a substantive agreement can be crafted in the future, hopefully in 2010. He said that several countries, in particular China and Japan, are playing much more constructive roles. But he noted that everyone with experience in such negotiations recalls the failure of the USG to ratify the Kyoto Protocol and that therefore everything depends on the United States being able to make firm commitments.

GOVERNMENT OF ARGENTINA IS "IGNORING THE PROCESS"

18. (SBU) While Argentina was a major leader of climate negotiations throughout the 1990s, it is now much less active. According to Estrada Oyuela, the GoA is essentially "ignoring the process," including not taking any serious domestic mitigation actions and failing to maintain expertise in the field. Ambassador Silvia Merega, the current head negotiator on climate change, never worked on any environmental issues until six months ago and readily admits that she does not know the issues well. By contrast, Estrada Oyuela said, in the 1990s he worked to educate a core of diplomats on the scientific issues. Many of those experts are now dispersed into other bureaus and Embassies and no longer part of the negotiating team.

19. (SBU) As an example, Estrada Oyuela said that he worked closely in the 1990s with Osvaldo Canziani, an Argentine climatologist. Canziani is a world-renowned climate change scientist and was co-chair of a working group of the Intergovernmental Panel on Climate Change (IPCC) which won the Nobel Prize in 2007. By contrast, the current climate change team has not called on Canziani at all for assistance. Instead, they are relying on Vicente Barros, another Argentine climatologist of whom Estrada Oyuela is contemptuous. He said that he tried to work with Barros in the 1990s and found him to be "incompetent." Estrada Oyuela was amazed that Canziani has been left to the side by the current

climate team.

¶10. (SBU) Estrada Oyuela believes that there are still good people working on climate change mitigation in the Argentine Environmental Secretariat, but that they do not have the political support or power to implement significant new policies. He noted that the Secretariat's work on energy efficiency, for example, is inconsequential when the political leadership continues to promote policies that push in the other direction. (Note: Electricity in Argentina is approximately 70% subsidized, for example, giving little economic incentive to invest in energy efficiency. End note.)

¶11. (SBU) According to Estrada Oyuela, the GoA is focused on two issues at it relates to climate change. First, how to create and preserve jobs, particularly as it relates to exports. Any position that can be framed in the language of job creation is a popular one. Second, it is dedicated to creating a fund to finance mitigation response by developing countries. If financing is available to help in a transition to a low-carbon economy, the GoA will be much more likely to enthusiastically support an agreement. (The GoA's current climate negotiator, Ambassador Silvia Meregá, also emphasized to us the importance of financing for mitigation actions. See reftel.) Estrada Oyuela believes that the GoA is amenable to a political agreement at Copenhagen, but is not likely to take a leadership role in pushing for such an agreement.

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DEALING WITH OTHER LATIN AMERICAN COUNTRIES

¶12. (SBU) Estrada Oyuela believes that there is no easy way to deal with countries less committed to the process. Venezuela and Ecuador, as OPEC countries, will maintain their positions demanding compensation for the negative effects of mitigation. He "couldn't believe" that Argentina is supporting some OPEC positions, and said it is essentially a political favor to Venezuela. He expressed puzzlement at Bolivia's position, and said that a Cuban friend told him they were concerned that Bolivia had taken all of Cuba's positions, leaving them without much to say.

¶13. (SBU) Estrada Oyuela thinks that Mexico should play a much more prominent role in the negotiations. As an OECD country, but also a developing country, he sees Mexico as being in a position to help forge an agreement, but that it is not leading as it should. When asked whether Argentina, as a G-20 and G-77 member, could play a similar role, he simply laughed. He said that the current negotiating team is confused, not politically supported, and could not lead anything at this time.

BORDER TAX ADJUSTMENTS A MAJOR CONCERN FOR ARGENTINA

¶14. (SBU) Estrada Oyuela currently works as a consultant to the Instituto de Promoción de la Carne Vacuna, a beef industry group. He says the group is very alarmed about the potential damage to

beef exports from mitigation actions. Still, he believes that Border Tax Adjustments (BTAs) will be implemented by developed countries in some form, and that Argentina needs to prepare for them.

¶15. (SBU) Argentina's agricultural sector is very much aware of the move in the EU to have carbon emissions labeling on food products. Argentine producers are also alarmed by a statement from Lord Nicholas Stern, author of an influential UK climate change report, suggesting that meat consumption must be cut. (In an October interview, Stern said that "Meat is a wasteful use of water and creates a lot of greenhouse gases. It puts enormous pressure on the world's resources...[People] will increasingly ask about the carbon content of their food.") Argentina sees such labeling and comments as linked to the continued protectionist agricultural policies of the developed world, he said.

¶16. (SBU) When asked how Argentina should handle BTA concerns, Estrada Oyuela said that Argentina simply has to take sufficient mitigation actions to cut agricultural emissions and avoid BTA, which will require a major adjustment of the agricultural sector. He cited conversion of the beef industry from pasture-fed to a feedlot system as one way to reduce methane emissions. BTA are viewed as a sort of tax by the Argentines, one that will fall excessively on their shoulders. However, he thinks that such adjustments are inevitable and that Argentina needs to reform its agriculture, rather than resist such measures.

COMMENT

¶17. (SBU) Estrada Oyuela's expertise and experience in climate
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change negotiations was evident in the way he effortlessly discussed the intricacies of the current negotiations. He is optimistic about an eventual agreement (though not in Copenhagen) and believes that emissions reduction measures, including border tax adjustments and mitigation financing, will ultimately be put in place. He feels that green technologies are the real key to lowering emissions and that the USG is by far best-equipped to lead (and benefit from) the move to low-carbon economies. End Comment.

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